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Law on Rebel Assistance Disputed

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House Democrats are locked in a dispute with the Reagan administration over whether the administration's request for \$100 million in aid for Nicaraguan rebels might also release unlimited secret funds of the Central Intelligence Agency for the same purpose.

At stake is the question of whether President Reagan would have to go back to Congress later on, after spending whatever rebel aid Congress gives him, in order to spend more. Before October 1983, when Congress first capped funding for the rebels, also known as contras, the CIA used its secret "contingency reserve fund" to run the program. Congress was informed of that spending but had no control over it.

After some initial confusion, the administration said yesterday that the CIA funds would remain off-limits under the new request, no matter what the wording of the request.

"We are going to give Congress whatever assurances are necessary for them to be convinced that the money that is given us will be the money that is spent," said White House deputy press secretary Edward P. Djerejian. "We are not going to play games with it."

David Holliday, spokesman for the Senate Select Committee on Intelligence, said a committee staff analysis found that the wording of the request poses no problem. "The president's request does not override" existing law barring contingency fund use, he said. "Lawyers at the CIA are in agreement with us about this."

But Democrats are not so certain. A staff analysis by the House Permanent Select Committee on Intelligence found the wording of the request to be ambiguous, a finding administration officials privately did not dispute.

Then, according to intelligence panel sources, an administration witness, backed by a State Department attorney, told the committee in closed session last week that the contingency fund would become available under the new request, even though the administration had no current plans to use it.

"That testimony was wrong," Holliday said yesterday. "It is my educated guess that [the witness] will so inform the committee." Committee officials said no such information had yet been received.

Rep. Michael D. Barnes (D-Md.) raised the issue last week with State Department witnesses at a hearing of the House Foreign Affairs subcommittee on Western Hemisphere affairs, which he chairs. State Department officials said they hoped to provide a definitive response today.

At a news conference yesterday, Barnes said: "My understanding is . . . that there is no restriction, as there is in the current law, on the administration using what I am told is the rather large contingency fund of the CIA."

He said Rep. Lee H. Hamilton (D-Ind.), chairman of the House intelligence committee, "agreed with my interpretation" and would say so in an upcoming report. Hamilton was unavailable for comment.

Rep. David E. Bonior (D-Mich), chairman of the House Democratic task force on Nicaragua, said through a spokesman that Reagan's new request "is asking for the ability to run the war in the future as a covert campaign. It's a fundamental change in the debate."

Rep. Edward P. Boland (D-Mass.), who was author of the 1983 spending cap when he chaired the intelligence committee, said in a statement prepared for delivery last week that if the House approves the president's \$100 million request, "we also remove all current legal restrictions on the CIA or the Department of Defense."